



— State of —  
**North Dakota**  
*Office of the Governor*  
**John Hoeven**  
*Governor*

## **PROPERTY TAX RELIEF**

**What is the plan?** Provide direct and simple property tax relief to the people of North Dakota through a reduction in residential, agricultural, and commercial property taxes. The reduction in property taxes would be supplanted by state dollars.

Residential property taxes will be reduced by 10%

Agricultural property taxes will be reduced by 5%

Commercial property taxes will be reduced by 5%

### **What is the cost of direct relief?**

<b>Costs by Classification</b>			
<b>10% tax reduction for residential</b>			
<b>5% tax reduction for agricultural and commercial</b>			
<b>Assuming a 2005 average statewide mill rates of 401.66 mills*</b>			
	<b>2007</b>		<b>2008</b>
<b>RESIDENTIAL</b>	\$ 36,363,735	\$	40,581,928
<b>COMMERCIAL</b>	\$ 10,512,964	\$	11,795,545
<b>AGRICULTURAL</b>	\$ 8,422,669	\$	8,422,669
	\$ 55,299,368	\$	60,800,142
<b>2007-09 BIENNIUM</b>	<b>\$</b>		<b>116,099,510</b>

### **What is the impact of direct relief to property owners?**

**A 10% reduction in residential property taxes will result in the following savings:**

\$80,000 Home	\$144.60	\$160,000 Home	\$289.20
\$100,000 Home	\$180.75	\$200,000 Home	\$361.49
\$120,000 Home	\$216.90		

\* Figures are based on the statewide average mill rate. Actual property tax relief figures will vary by individual city or township.

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**A 5% reduction in agricultural property taxes will result in the following savings:**

State Average of 1,300 acre farm	\$372.73
State Average of 1,300 acre farm (cropland)	\$490.23
State Average of 1,300 acre farm (non cropland)	\$111.82

**A 5% reduction in commercial property taxes will result in the following savings:**

\$75,000 Commercial Property	\$75.31
\$150,000 Commercial Property	\$150.62
\$300,000 Commercial Property	\$301.25

**How will property owners receive the relief?** Direct relief will be calculated by county and disbursed from the state, as it is with the Homestead Tax Credit. Taxpayers will see the property tax relief amount on their property tax statement.